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Director and Chief Medical Officer

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COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
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September 18, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**TERMINATION OF MEDI-CAL MANAGED CARE PROGRAM AGREEMENT WITH
PACIFIC COAST MANAGED CARE MEDICAL GROUP (All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Delegate authority to the Director of Health Services, or his designee, to terminate County Agreement No. H-211916 with Pacific Coast Managed Care Medical Group, pursuant to Paragraph 2, Term, Termination, Re-negotiation and Suspension of the agreement.
2. Authorize the Director of Health Services, or his designee, to issue a Notice of Termination and take all other necessary actions to close-out remaining contract activities under the agreement.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

In approving the recommending actions, the Board is delegating authority to the Director to terminate the Medi-Cal Managed Care Program Agreement with Pacific Coast Managed Care Medical Group ("PCMC") that provides primary care services to members of the Community Health Plan ("CHP"). The Director will also issue a ninety (90) calendar day written Notice of Termination and take all other necessary actions to ensure the continuing provision of health care services required to be provided to CHP members under the State of California sponsored Medi-Cal Managed Care Program.

FISCAL IMPACT/ FINANCING:

There is no fiscal impact on the County's budget as a result of the termination of this agreement. Payments previously provided for the provision of health care services to CHP enrollees (approximately 1,137) under the agreement will now go to other providers in the CHP network.

Payments to the contractor will cease effective with the termination of the agreement and receipt of its final invoice for capitation fees earned but unpaid prior to the termination date.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The CHP is a health maintenance organization duly licensed as a full service, health care plan pursuant to the Knox-Keene Health Care Service Plan Act of 1975 and contracts with the L.A. Care Health Plan for the provision of health care for members who designate or are assigned to the CHP under the Medi-Cal Managed Care Program.

On November 21, 2000, the Board approved Medi-Cal Managed Care Program Agreement No. H- 211916 for the provision of primary care services with PCMC, and subsequent amendments extended the agreement to December 31, 2004.

The agreement allows for either party to terminate the agreement at any time for any reason, without cause, by providing the other party with at least ninety (90) days prior written notice. The Department has determined that it is in the County's best interest to terminate this agreement at this time.

The recommended approval of termination of the agreement will allow the Department to finalize all outstanding payment issues. All CHP members currently assigned to PCMC will be transferred to other identified primary care providers through CHP.

It is the contractual responsibility of the County through its Department of Health Services, Community Health Plan to continue to provide services to members of the CHP who are currently assigned to PCMC for the receipt of their primary care services through its network of medical providers, and as such, these members will be reassigned to other primary care providers to assure the continuity of care.

The termination of the agreement will become effective on December 31, 2003, ninety (90) calendar days after Board approval and the issuance of the Notice of Termination.

CONTRACTING PROCESS:

Not applicable.

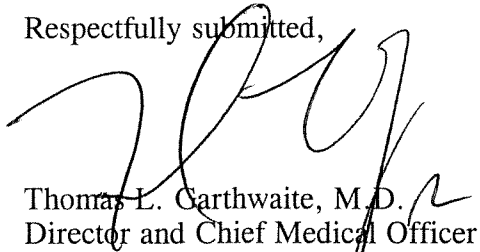
IMPACT ON CURRENT SERVICES:

CHP members will obtain primary care services through other County contracted medical services providers.

The Honorable Board of Supervisors
September 18, 2003
Page 3

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:lb

Attachments

cc: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

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